



COMPACT GOAL

MCC's compact with Georgia includes \$395.3 million of strategic investments designed to rehabilitate key regional infrastructure, stimulate regional trade by improving transportation, ensure a reliable energy supply, improve the delivery of regional and municipal services, and develop regional enterprises by providing investment capital and by increasing productivity in farms.

COMPACT AT A GLANCE

Compact Signing Date	September 12, 2005
Entry Into Force	April 11, 2006
Compact End Date	April 11, 2011
Estimated Program Beneficiaries	Over 300,000
Est. Increase in Household Income	\$292 Million
Compact Total	\$395.3 Million
Amount Committed	\$346,021,524 (88%)
Amount Disbursed	\$228,811,845 (68%)

% OF TOTAL COMPACT

##% Project

COST (MILLIONS USD)

###.



■ Project Preparation ■ Project Implementation

Regional Infrastructure Rehabilitation

Rehabilitate key regional infrastructure through:

- Rehabilitation and construction of approximately 217.5 kilometers of main road traversing the Samtskhe-Javakheti region, with links to both Armenia and Turkey
- Rehabilitation of the North-South Gas Pipeline, and
- Rehabilitation of municipal water and wastewater infrastructure in regions outside Tbilisi (Regional Infrastructure Development Project).

Projected Long-term Results*

ESTIMATED
BENEFICIARIES

Over 300,000

Exclusive of Pipeline
Rehabilitation Project, which is
under review

ESTIMATED INCREASE IN
HOUSEHOLD INCOME

\$216 million

* Up to 20 years

PROJECT COST

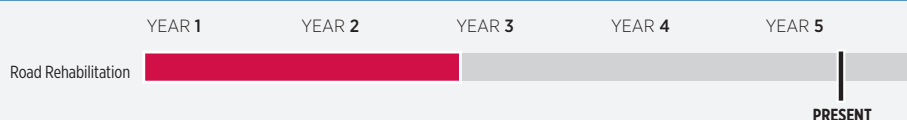
\$330.5 million

TOTAL CONTRACT COMMITMENTS

\$227 million

TOTAL PROJECT DISBURSEMENTS

\$163.8 million



PROJECTED RESULTS BY END OF COMPACT

Rehabilitate and construct 217.5 kilometers of main road that goes through the Samtskhe-Javakheti region

Reduce the poverty rate from 55.9% to 50% in the Samtskhe-Javakheti region

Enhance agricultural and trade opportunities and improved access to education, healthcare and employment

PROGRESS TO DATE

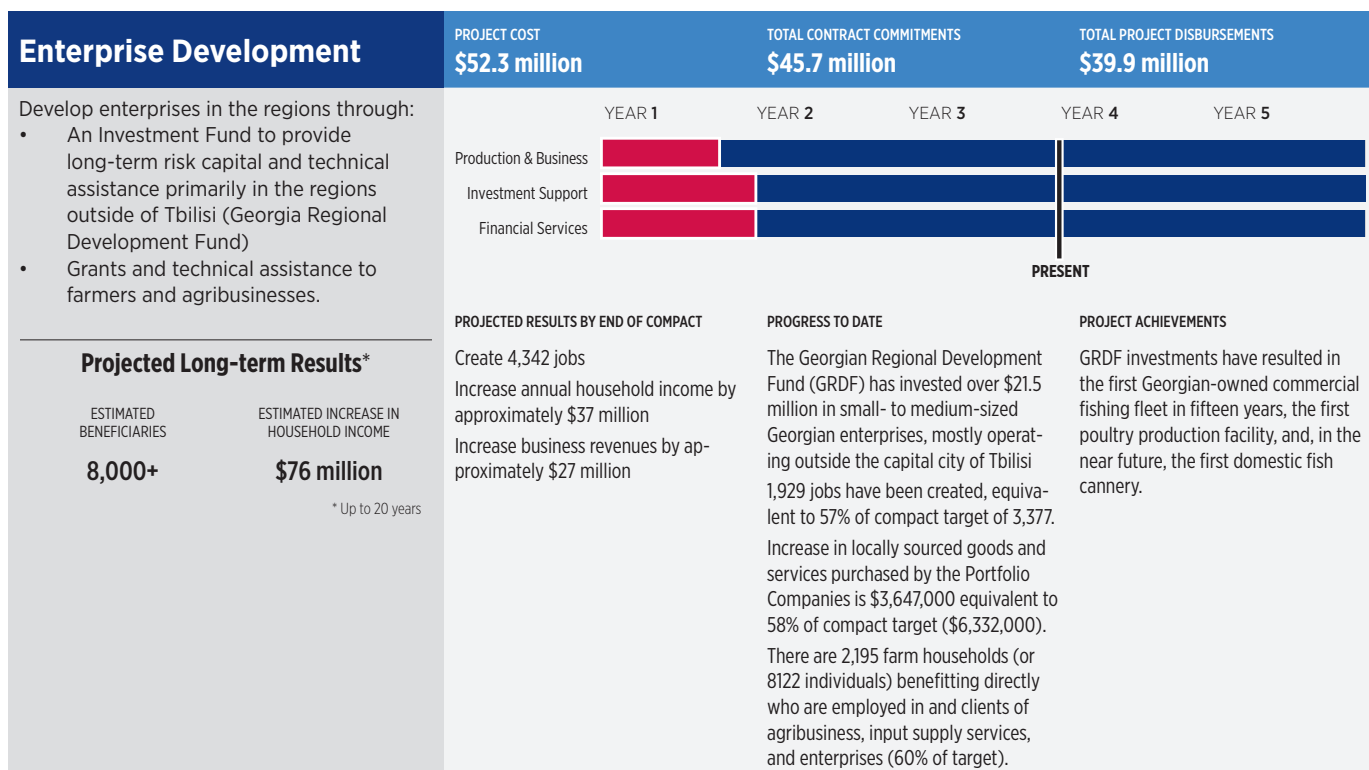
Phases I, II, and III of the Energy Project have been completed for rehabilitation of 22 main gas pipeline sites, equivalent to 100% of target.

As part of the Regional Infrastructure Development Project (RID), four out of five water supply rehabilitation projects are currently under construction and the fifth has been completed.

PROJECT ACHIEVEMENTS

Travel time on the road has been already reduced from 8 hours to 5 hours 30 minutes, with final target of 2 hours 45 minutes, representing significant savings to local farmers.

The completion of planned natural gas pipeline repairs has resulted in the improved security of Georgia's domestic natural gas supply.



In November 2008, MCC and the Government of Georgia signed the First Amendment to the Compact which provided an additional \$100 million in Compact funding to expand existing activities under the Compact.

These estimates are based on the best, currently available information and may be updated if new and reliable data become available.

MCC defines beneficiaries as all members of a household who stand to see an increase in its income. Beneficiaries are counted only once in the total beneficiary count even if they benefit from more than one project, so the total beneficiary count may be different than the sum of the different project beneficiary counts. MCC estimates and reports expected beneficiaries when sufficiently reliable data exists to support the estimation. If such evidence is lacking, no estimation is attempted.

Total benefits expected from a project are obtained from the ERR analysis MCC conducts during due diligence. Beneficiary counts, although consistent with benefit streams identified in the economic analysis, are not necessarily derived from these models. Calculating the amount of benefit per beneficiary is therefore not appropriate and can be misleading.

Project Preparation: For Infrastructure projects this includes assessments and feasibility, detailed project planning and design, and competitive procurement. For other projects, this includes training, collecting baseline data, public outreach, selecting beneficiaries or target area and revising project methodology accordingly, procurement, contracting of project managers, and project pilots.